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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 2nd
day of June, 1998.

In the Matter of the Joint Application)
for Authority to Transfer Control of) Case No. TM-98-384
Network Long Distance, Inc., to IXC)
Long Distance, Inc.)

ORDER APPROVING MERGER

On March 10, 1998, IXC Long Distance, Inc. (IXC) and Network Long Distance, Inc. (Network) filed an application pursuant to Section 392.300, RSMo 1994 and 4 CSR 240-2.060(9), seeking approval of the Missouri Public Service Commission (Commission) for the transfer of control of Network to IXC. IXC is a wholly-owned subsidiary of IXC Communications, Inc. (IXC Comm.), whose stock is publicly traded on the NASDAQ Stock Market. IXC was certificated by the Commission to provide intrastate interexchange telecommunications services on August 11, 1995 in Case No. TA-95-387. Network was certificated by the Commission to provide intrastate interexchange telecommunications services on November 18, 1993 in Case No. TA-93-296. Network is also publicly traded on the NASDAQ Stock Market.

The proposed transaction is structured to qualify as a reorganization under Section 368(a)(1)(B) of the Internal Revenue Code of 1996, as amended. To accomplish the acquisition, IXC has formed a wholly-owned subsidiary, Pisces Acquisition Corp. (Acquisition Corp.). Acquisition Corp. will be merged with and into Network, with Network as the surviving entity. As part of the merger, the outstanding shares of capital stock of Network will be converted into shares of IXC Comm. common stock, and the

outstanding shares of Acquisition Corp. will be converted into shares of capital stock of Network. Following consummation of the merger, Network will be a wholly-owned subsidiary of IXC under the corporate name Eclipse Telecommunications, Inc. A copy of the Stock Acquisition Agreement and Plan of Merger by and Among IXC Communications, Inc., IXC Long Distance, Inc., Pisces Acquisition Corp. and Network Long Distance, Inc., dated December 19, 1997, is attached to the application as Exhibit A.

Applicants state that IXC has sufficient managerial, technical, and financial qualifications to acquire control of Network, and that IXC Comm. is financially well qualified to consummate the proposed transaction. Network will continue to operate and will remain the holder of its certificate, thus neither Network nor IXC's current customers will be adversely affected by the proposed acquisition. By virtue of the transaction, IXC and Network will realize significant economic and marketing efficiencies, permitting significant savings and operating costs and capital expenditures. The proposed transaction will also combine the complementary management skills, background, and experience of IXC and Network, allowing the companies to capitalize and build on the diverse expertise of each company. As a result, the combination of the two companies' resources and expertise will strengthen the companies' competitive positions and enhance the ability of IXC and Network to offer a full range of competitively priced services in the interexchange marketplace.

Applicants indicate that there should be no impact on the tax revenues of the State of Missouri or any political subdivision. Applicants further state that IXC has no pending or final judgments against it from any federal or state agency with respect to the issues of customer service or rates.

The Staff of the Commission (Staff) filed a memorandum containing its recommendations on April 3, 1998. Staff first notes that Network was authorized by the Commission to use the fictitious name "LDN Long Distance, Inc." in the state of Missouri on January 24, 1995. Staff states that company officials were unaware of the adoption notice which authorized Network to use the fictitious name LDN Long Distance, Inc., but maintains that this should not hinder the proposed transaction. Staff also indicates that company officials are uncertain of the time frame and specifics regarding the change of Network's name to Eclipse Telecommunications, Inc. However, Staff observes that the name change can be resolved through the use of an adoption notice at an appropriate time.

In addition, Staff explains that under the proposed transaction the directors of Network will resign, and the directors of Acquisition Corp. will be the initial directors of the surviving entity, while the officers of Network will be the initial officers of the surviving entity. Staff notes that Network will continue to operate and will remain the holder of its certificate. Staff states that it has reviewed the application and believes it meets the requirements of 4 CSR 240-2.060(9), and therefore Staff has no objections and recommends approval of the agreement. Staff adds that it is unaware of any other filings which would affect or would be affected by this proposal.

Upon review of the verified application and the attachments, and Staff's recommendation, the Commission finds that the effect of the proposed transaction is to make Network a wholly-owned subsidiary of IXC. The Commission further finds that both IXC and Network will continue to operate in all respects as they presently operate, and that the transaction will be virtually transparent to customers. The change in ownership will help both IXC and Network to realize marketing, managerial, and financial

efficiencies, which will enhance competition in the telecommunications market in Missouri. Thus, the Commission finds that the proposed transaction is not detrimental to the public interest.

However, the Commission cautions the applicants that if Network intends to change its name after the merger to Eclipse Telecommunications, Inc., it must file an application with the Commission for acknowledgement of the change of name, along with the appropriate documentation from the Missouri Secretary of State's Office and either a new tariff bearing the new name, or an adoption notice. The Commission also notes that applicants have filed a written request that the Commission's order be made effective on the date of issuance. The Commission will accomodate this request.

IT IS THEREFORE ORDERED:

1. That the merger of Pisces Acquisition Corp., a wholly-owned subsidiary of IXC Long Distance, Inc., with and into Network Long Distance, Inc., with Network Long Distance, Inc. as the surviving entity, is approved in accordance with the Stock Acquisition Agreement and Plan of Merger dated December 19, 1997, attached to the parties' application as Exhibit A.

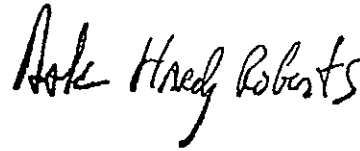
2. That in conjunction with the merger transaction, IXC Long Distance, Inc. and Network Long Distance, Inc. are authorized to transfer control of all the outstanding capital stock of Network Long Distance, Inc. to IXC Long Distance, Inc.

3. That IXC Communications, Inc., IXC Long Distance, Inc., Pisces Acquisition Corp., and Network Long Distance, Inc. are authorized to take any and all actions necessary to effectuate the Stock Acquisition Agreement and Plan of Merger contemplated by the application and this order.

4. That Network Long Distance, Inc. shall file a pleading with the Missouri Public Service Commission notifying the Commission of the closing date of the merger within ten days after completion of the transaction.

5. That this order shall become effective on June 2, 1998.

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)

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

Bensavage, Regulatory Law Judge