

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 14th  
day of September, 1994.

In the matter of the application for )  
authority to transfer the assets of )  
Military Communications, Inc. and to ) Case No. TM-95-20  
discontinue providing tele- )  
communications service to the State )  
of Missouri. )

ORDER APPROVING MERGER AND CANCELLING CERTIFICATE AND TARIFF

On July 25, 1994, LDDS Communications, Inc., d/b/a LDDSMETROMEDIA (LDDS) and Military Communications Center, Inc. (MCC) filed a joint application for approval from the Commission for MCC to transfer its existing customer base to LDDS and to discontinue service as a carrier. On August 16, 1994, the application was amended to correct several technical items which had been brought to the attention of the applicants by the Telecommunications Department of the Commission Staff (Staff). The applicants had requested expedited treatment for an approval by August 31, 1994. On September 1, 1994, the Staff filed its Memorandum in this case.

LDDS is a publicly-held Georgia corporation that provides intrastate telecommunications services in Missouri pursuant to a certificate of service authority from the Commission. MCC is a privately-held Delaware corporation which was certificated to provide intrastate telecommunications services in Missouri which included a travel card service and a phone center service. The proposed transaction contemplates MCC transferring its base of travel card customers to LDDS. MCC will then become a wholly-owned subsidiary of LDDS. MCC will cease to operate as an interexchange carrier, but will function as a sales agent for LDDS. After

the transaction, former MCC travel card customers will be served from the LDDS tariff and charged the same tariff rates as other LDDS travel card customers.

LDDS currently has a tariff filing (tariff file no. 9500086, Case No. TT-95-49) pending which, if approved, adds language stating that the former MCC customers will be served at the current LDDS on-line calling card rate. When the customers are switched to LDDS's service, they will pay LDDS's flat rate with no surcharge. According to LDDS, the approximately 200 MCC travel card subscribers in Missouri were notified of the impending carrier change by July 30, 1994. LDDS requests that they be allowed to notify these customers of the potential rate changes at a later time, subsequent to Commission approval of the transfer of assets.

MCC's phone center services are presently provided exclusively to military personnel, pursuant to contracts with military bases, such as Ft. Leonard Wood, Missouri. MCC has established phone centers wherein patrons may place outbound calls and pay for the service immediately upon exiting the facility. Phone center customers do not need to establish an account or pre-subscribe to MCC's service and, thus, this is a service which is attractive to transient customers. LDDS's pending tariff, referenced above, proposes to add this unique service to its existing tariff. Under the terms of the merger, MCC will continue to manage the phone centers, but LDDS will be identified as the carrier providing the long distance service from the facility.

Staff, in its Memorandum, states that it has no objections to LDDS's proposal to establish a special rate structure in its tariff for phone center service as long as the phone center service is offered under a state, municipal, or federal contract. Missouri statute 392.220(3) permits a telecommunications company to offer special rates to certain

customers, such as services offered through a federal contract. In Staff's opinion, a phone center service offered to only military personnel under contracts with military bases complies with this statute. In this respect, Staff believes it is unnecessary to address whether the phone center service is a unique service that differs from other LDDS service offerings.

Staff, in its Memorandum, recommended approval of the application and further recommended that the Commission approve the proposed sale of assets at its earliest convenience. Staff also recommends that the Commission require the applicants to report any future address changes that may result from the transaction and to cancel MCC's tariff and certificate of service authority. Lastly, Staff recommends that the Commission allow its order to become effective thirty (30) days after the date of the order, thus allowing LDDS ample time to notify its former MCC customers of the potential rate change in their travel card service and request that the Commission require LDDS to provide Staff with a copy of the customer notice regarding the potential rate change ten (10) days prior to the cancellation of MCC's tariff and certificate of service authority.

The Commission has reviewed the application, the Staff Memorandum, and the entirety of the case file and makes the following findings. The Commission finds that LDDS is a Georgia corporation which provides intrastate telecommunications services pursuant to a certificate of service authority which was formerly held by Metromedia Communications Corporation (MCC). LDDS's current tariff and certificate arrive out of Case No. TM-93-326. The Commission will approve the proposed merger and order the cancellation of the certificate and tariff which had previously been approved for MCC. The Commission will also order that all customers of MCC shall be notified of any potential rate change in their travel card

service at least ten (10) days in advance and that such notice be provided to Staff as set out herein.

**IT IS THEREFORE ORDERED:**

1. That Military Communications Center, Inc. shall be merged into and with LDDS Communications, Inc., d/b/a LDDSMETROMEDIA Communications.

2. That the certificate of service authority and tariffs which the Commission had previously approved for Military Communications Center, Inc. shall be cancelled effective October 15, 1994.

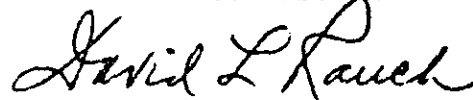
3. That all customers of Military Communications Center, Inc. shall be served from the LDDS Communications, Inc., d/b/a LDDSMETROMEDIA Communications tariff for service on and after October 15, 1994.

4. That LDDS Communications, Inc., d/b/a LDDSMETROMEDIA Communications shall notify the Commission of any future address changes which may result from this merger.

5. That LDDS Communications, Inc., d/b/a LDDSMETROMEDIA Communications shall notify all customers of any rate changes at least ten (10) days prior to the effective date of such rate changes, and any such customer notice shall be provided to the Commission Staff for its review.

6. That this order shall become effective on October 15, 1994.

BY THE COMMISSION



David L. Rauch  
Executive Secretary

(S E A L)

Mueller, Chm., McClure, Perkins  
and Kincheloe, CC., Concur.  
Crumpton, C., Absent.