

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 27th
day of January, 1995.

In the matter of the application for authority to)
transfer control of Touch 1, Inc., to LDDS Communica-)
tions, Inc., d/b/a LDDSMETROMEDIA, and to transfer) Case No. TM-95-93
Touch 1, Inc.'s certificate to Touch 1 Long Distance,)
Inc.)
)

ORDER APPROVING SALE

On September 26, 1994, LDDS Communications, Inc., d/b/a LDDSMETROMEDIA, (LDDS) filed an application with Touch 1, Inc. and Touch 1 Long Distance, Inc. (T1LD) requesting authority pursuant to Section 392.300, R.S.Mo. 1994, to transfer control of Touch 1, Inc. to LDDS, to liquidate Touch 1, Inc. into T1LD, and to transfer Touch 1, Inc.'s certificate of service authority to T1LD. If the authority requested is granted, T1LD would be the remaining company and would provide service under the same rates and conditions as Touch 1, Inc.'s current tariff, while certain other assets of Touch 1, Inc. will be transferred to Touch 1 Communications, Inc. Both T1LD and Touch 1 Communications, Inc., are wholly-owned subsidiaries of LDDS.

On January 23, 1995, Commission Staff filed a memorandum recommending the Commission grant the authority requested. Staff also recommended that T1LD be required to file an adoption notice or new tariff before it begins operations.

The Commission has reviewed the application and Staff's memorandum and finds that the sale of Touch 1, Inc., to LDDS should be approved and that T1LD be granted a certificate of interexchange service authority.

LDDS and Touch 1, Inc., are certificated competitive interexchange telecommunications companies operating in the state of Missouri and Commission oversight over transactions of this type between regulated competitive carriers

is limited. Sales between certificated companies which have been found to be competitive are not perceived to be detrimental to the public interest. In addition, the pleadings indicate that there will be no change in the operations of Touch 1, Inc., or its tariffs, so the change in ownership will be practically transparent to the customers.

Since LDDS, though, will not be holding the certificate of service authority but will be providing service through its wholly-owned subsidiary, T1LD, the Commission must grant T1LD a certificate in order for it to provide service in Missouri. The Commission finds that where the parent company is certificated and a wholly-owned subsidiary will be providing service initially under the same terms and conditions as the selling company, the granting of a certificate is in the public interest. Also, the pleadings indicate that T1LD is a certificated carrier in other states. The Commission would note that in the competitive environment of interexchange service, customers who are dissatisfied with the new company have many options available to them. Greater scrutiny would be afforded the granting of a certificate of service authority to a noncertificated company which was requesting to provide noncompetitive services. In that instance, the customers would have no alternative service and the Commission responsibility for ensuring the transfer is in the public interest is enhanced.

LDDS has indicated by letter that it is willing to allow this order to be effective less than ten days from issuance.

IT IS THEREFORE ORDERED:

1. That authority is hereby granted for the transfer of control of Touch 1, Inc., to LDDS Communications, Inc., d/b/a LDDSMETROMEDIA.
2. That LDDS Communications, Inc., d/b/a LDDSMETROMEDIA, is hereby authorized to take such actions, consistent with Commission rules and Missouri statutes, as are necessary to complete the transfer of control approved in ordered paragraph 1.

3. That Touch 1 Long Distance, Inc., is hereby granted a certificate of service authority to provide service under the same terms and conditions as service is now provided by Touch 1, Inc.

4. That Touch 1 Long Distance, Inc., shall file an adoption notice effective for service on and after January 31, 1995.

5. That the certificate of interexchange service authority of Touch 1, Inc., is hereby canceled.

6. That this order shall become effective on the 31st day of January, 1995.

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

Mueller, Chm., McClure, Perkins,
Kincheloe and Crumpton, CC., concur.