

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 23rd
day of September, 1992.

In the matter of the joint application of)
Ameritel Long Distance, Inc. and CommuniGroup) Case No. TM-93-39
of K.C., Inc., to sell assets.)

ORDER WITHDRAWING NOTICE REQUIREMENT
AND APPROVING SALE OF ASSETS

On August 5, 1992, Ameritel Long Distance, Inc. and CommuniGroup of K.C., Inc., hereinafter referred to as Applicants, filed an application with the Commission in which Ameritel seeks approval to sell and CommuniGroup seeks approval to purchase assets of Ameritel, pursuant to Section 392.300, RSMo 1991.

Ameritel Long Distance, Inc., the seller, is a corporation duly authorized and existing under the laws of the State of Texas and has no assets or employees in the State of Missouri. Seller currently provides intrastate interexchange telecommunications service in the State of Missouri by certificate of convenience and necessity issued by this Commission.

CommuniGroup of K.C., Inc., the buyer, is duly authorized and existing under the laws of the State of Missouri and provides intrastate interexchange toll telecommunications service within the State of Missouri under a certificate of convenience and necessity also issued by this Commission.

Ameritel and CommuniGroup have contracted for Ameritel to sell and CommuniGroup to purchase certain assets of Ameritel, specifically the customer base, the Southwestern Bell Telephone Company (SWB)-GTE/Contel (GTE) billing contract, all listed circuits leased by Ameritel and approved by CommuniGroup, the CIC Code, exclusive rights to the trade name, trademarks, copyrights and service marks, state corporate certification of good standing and franchise, records of billings and mailing counts, marketing material and methods relating to the State of Missouri and the right to use such methods, Feature Group access,

and other assets related to the customer base. Details of this transaction are set out in an Asset Purchase and Sale Agreement on file with this Commission and protected as proprietary information by Commission rule.

On September 17, 1992, Commission Staff filed a memorandum recommending the Commission approve the transaction. Staff concluded that Ameritel purchases long distance terminating service from Mid-American Communications Corporation. This service is delivered to Ameritel customers by GTE or SWB via a 950 number purchased from GTE or SWB. Ameritel advertises the 950 number via direct mail and newspaper. Potential customers who dial the numbers 10975 (for equal access areas) or 950-1975 (for non-equal access areas) will employ this long distance service. This type of service is referred to as casual calling. Accounts are collected and taxes paid by SWB or GTE. Ameritel has no pre-subscribed customers and retains no employees or facilities in the State of Missouri. It is Staff's opinion that this transaction would be transparent to Ameritel's customers since billing would continue to be done in Ameritel's name and pursuant to Ameritel's tariff. Also no service charge or interruption of service will be incurred by customers as a result of the sale.

The Commission also finds, based on Staff's recommendation, that the proposed transaction is transparent and will have no adverse effect on customers. In addition, the buyer, CommuniGroup, is a relatively large company and has been doing business in Missouri under certification of convenience and necessity for some time. CommuniGroup is apparently also financially sound, as no evidence exists to indicate otherwise. Therefore, the Commission approves this transaction.

On August 11, 1992, the Commission issued an Order directing Applicants to notify customers of Ameritel within 10 days of the proposed sale. At the request of Applicants' counsel this Order was amended on August 19, 1992 to extend the notice period to 30 days.

Subsequently, at the request of Staff, Applicants amended their joint application twice, once on August 27, 1992 and again on September 4, 1992, to fully explain the exact nature of this transaction. Staff's recommendation was filed on September 17, 1992, recommending approval of the sale and requesting the previously ordered 30-day notice requirement be withdrawn. Staff's information in this matter was fully developed partly as a result of requiring Applicants to amend their application.

Staff and Applicants agree that as a result of the nature of the service, Ameritel can identify its customers only with some difficulty and expense. Since customers are not pre-subscribed and use the service on a casual basis, billing is handled by the local exchange company (in this case GTE or SWB) and not Ameritel. Ameritel apparently receives payment for the service from the local exchange company without receiving any customer-specific information. Therefore, the Commission finds that notice is not necessary in this matter and withdraws its Order of August 19, 1992 requiring notice to customers.

IT IS THEREFORE ORDERED:

1. That the proposed sale of assets by Ameritel Long Distance, Inc. to CommuniGroup of K.C., Inc. is approved as set out in the above-referenced Purchase and Sale Agreement and Joint Second Amended Application in this matter.
2. That the Amended Order and Notice of August 19, 1992 requiring Applicants to deliver notice to their customers of the proposed sale is withdrawn.
3. That Applicants are authorized to perform all things reasonably necessary to perform the joint transaction.
4. That nothing in this Order shall be considered as a finding by the Commission as to the value of the properties herein involved nor as to the value placed on them by Applicants.

5. That this order shall become effective on the 6th day of October,
1992.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

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