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August 4, 2000

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DANA K. JOYCE
General Counsel

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. TM-2000-501

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Cliff E. Snodgrass
Senior Counsel
(573) 751-3966
(573) 751-9285 (Fax)

CES:sw
Enclosure
cc: Counsel of Record

FILED²
AUG 04 2000
Missouri Public
Service Commission

Case No. TM-2000-501

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through one of its attorneys, and for its Recommendation states as follows:

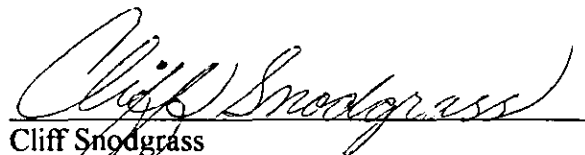
- 4

4. In the attached Memorandum, which is labeled Appendix A, the Staff summarizes its review of the final application and recommends that the Commission enter an Order that:

- A. Approves the transfer of assets from Tel-Link to NOW.
- B. Requires NOW to file tariffs as appropriate to continue service under the same rates, terms, and conditions as were formerly provided by Tel-Link.
- C. Waives Rule 4 CSR 240-33.150.
- D. Directs the Applicants to issue notification to all affected customers prior to the proposed transfer of accounts and also directs the Parties or Applicants to inform the customers of the right to select a different carrier.

Respectfully submitted,

DANA K. JOYCE
General Counsel

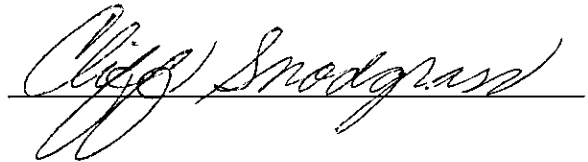


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Missouri Bar No. 52302

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 4th day of August, 2000.

A handwritten signature in cursive script, reading "Cliff Snodgrass", is written over a horizontal line.


MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. TM-2000-501

NOW Communications, Inc., and Tel-Link, L.L.C.

FROM: Arthur P. Kuss, Telecommunications Department

 8/3/00
Utility Operations Division/Date

 8/4/00
General Counsel's Office/Date

CE 58-3-2000

SUBJECT: Staff Recommendation to Approve the Transfer of Assets from
Tel-Link, L.L.C., to NOW Communications, Inc.

DATE: August 02, 2000

I. Application

On February 17, 2000, NOW Communications, Inc. (NOW), and Tel-Link, L.L.C. (Tel-Link), competitive telecommunications carriers, filed with the Public Service Commission (Commission) a **Joint Application for an Asset Transfer** (Application). NOW and Tel-Link, hereinafter collectively referred to as Parties (Parties), proposed approval of a transaction in which NOW will purchase all assets of Tel-Link, following which NOW will provide service operations to the former customers of Tel-Link without interruption. On April 20, 2000, the Parties submitted a **Supplement to Application** (Supplement) in which they clarify the proposed transaction. Both Parties are currently certificated in Missouri as Competitive Local Exchange Carriers (CLECs). The Parties have requested expedited approval of the acquisition.

II. Background

NOW provides resold intrastate and interstate telecommunications services in Missouri and other states, and currently operates in Missouri under its Interexchange Telecommunications Service Mo. P.S.C. Tariff No. 1, and Basic Local Service Tariff Mo. P.S.C. No. 2. Tel-Link provides resold intrastate and interstate telecommunications services and currently operates in Missouri under its Telecommunications Services Missouri Tariff No. 1. Following this transaction, Tel-Link will be wholly owned by NOW, but all Tel-Link customer accounts will transfer to NOW, and NOW will be the entity accepting any new customers. NOW will file revised tariffs to include Tel-Link's rates, terms and conditions, so as to continue to provide services to Tel-Link's former customers, under NOW's existing certification, with no interruption of service. To facilitate the direct transfer of customer accounts to a different Primary Interexchange Carrier (PIC), the Parties have requested a waiver of the "anti-slamming" rule 4 CSR 240-33.150. In support of this Application, the Parties submitted a *pro forma* copy of a proposed Customer

Notification bill insert as Exhibit A of the Supplement on May 02, 2000. This bill insert will be issued to customers following approval of the transaction. Tel-Link has discontinued accepting new Missouri customers pending transfer of customer accounts, but customer calls to either entity are being completed and serviced without disruption in the interim. Following the transaction, Tel-Link will continue to exist as a wholly-owned but separate entity, but serving no Missouri customers.

Due to an imperfect understanding of Missouri Rules and Statutes, the Parties had requested a change in certification in the original Application. This request has been withdrawn in the Supplement. As both entities are certificated for the provisioning of services, there is no need for a change in certification for either Party. Tel-Link does not request a withdrawal of its certification at this time, to allow for future restructuring of its service offerings and development of a new customer base.

In compliance with 4 CSR 240-2.060(7)(F), the Parties have declared that the proposed transaction will have no impact on the tax revenues of the State of Missouri or of any political subdivision therein. In compliance with 4 CSR 240-2.060(1)(K), the Parties declare that NOW has no pending or final judgments against it from any state or federal agency involving service to customers or rates charged.

According to 4 CSR 240-2.060(3) competitively classified companies are exempt from providing certain information such as public interest information in applications to merge, consolidate or sell/transfer assets. Any transaction, solely involving competitively classified companies, is not detrimental to the public interest since a customer can freely switch to another provider.

III. Staff Recommendation

Based on the information provided to Telecommunications Department Staff (Staff), Staff does not believe the transaction will be detrimental to the public interest. The Staff has reviewed the Application as amended and believes that it meets the limited requirements of 4 CSR 240-2.060(7). Staff has no objections to the proposed asset acquisition and recommends approval of the proposed purchase of Tel-Link's assets by NOW. Following approval of the transaction, Staff recommends that:

- NOW be required to file tariffs as appropriate to continue service under the same rates, terms, and conditions as were formerly provided by Tel-Link.
- Rule 4 CSR 240-33.150 be waived to permit prompt transfer of customer accounts to a different PIC.
- The Parties be required to issue notification to all affected customers prior to the proposed transfer of accounts, and to inform the customers of the right to select a different carrier.

Staff is unaware of any other filings that would affect, or be affected by, this proposal.

**Service List for
Case No. TM-2000-501
August 4, 2000**

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