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June 26, 2000

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Director, Utility Services

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Director, Administration

DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

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-2000-615

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

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

FILED²
JUN 26 2000
Missouri Public
Service Commission

In the Matter of the Application of Access)
Point, Inc., for Approval of a Transaction)
Whereby Access Point, Inc., Will Acquire)
Selected Customers of Efficacy Group, Inc.)

Case No. TM-2000-615

STAFF RECOMMENDATION

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:

1. On April 3, 2000, Access Point, Inc. (Access Point) and Efficacy Group, Inc. (Efficacy) filed an application for Commission approval of a transfer of assets. Access Point and Efficacy will also be called the "Applicants".
2. The Applicants propose approval of a transaction in which Access Point, Inc. will purchase all interexchange customer accounts of Efficacy Group, Inc. for which Efficacy shareholders will be compensated with Access Point stock.
3. The Applicants are both currently certificated in Missouri as competitive interexchange telecommunications carriers (IXCs).
4. The sale of assets is governed by §392.300 RSMo and 4 CSR 240-060 (7).

Applicable caselaw provides that the Commission may approve an asset transfer if it is "not detrimental to the public interest". See State ex. rel Fee Fee Trunk Sewer, Inc. v. Litz, 596 S.W. 2d 466, 468 (Mo. App. E.D. 1980).

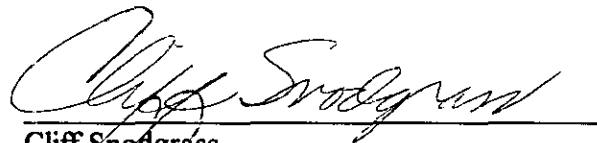
5. Staff has reviewed the application for asset transfer approval and has concluded that the transaction will not be detrimental to the public interest.

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

- A. Approves the proposed purchase of Efficacy's assets by Access Point.
- B. Requires Access Point to file revisions to its tariff to comport with Efficacy's rates, terms and conditions prior to the transfer of customers.

Respectfully submitted,

DANA K. JOYCE
General Counsel

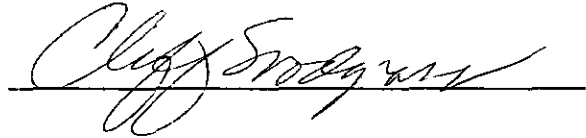


Cliff Snodgrass
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Missouri Bar No. 52302

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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 26th day of June, 2000.

A handwritten signature in cursive script, appearing to read "Cliff Snyder", is written over a horizontal line.

MEMORANDUM

06-23-00P03:53 RCVD

DH

**TO: Missouri Public Service Commission Official Case File
Case No. TM-2000-615**

Access Point, Inc. and Effic Group, Inc.

FROM: Arthur P. Kuss, Telecommunications Department

BV
APK

CE 5 6-23-2000

 6/23

Utility Operations Division/Date

 6-26-00

General Counsel's Office/Date

**SUBJECT: Staff Recommendation to Approve the Transfer of All Customers from
Effic Group, Inc. to Access Point, Inc.**

DATE: June 23, 2000

I. Application

On April 03, 2000, Access Point, Inc. (Access Point), and on behalf of Effic Group, Inc. (Effic), hereinafter collectively referred to as Parties (Parties), filed with the Public Service Commission (Commission) an **Application** for an Asset Transfer (Application). On June 15, 2000, the Commission issued an **Order Directing Filing**, requiring the Staff of the Commission to issue a status report of the case no later than June 22, 2000, notifying the Commission of a date certain when an appropriate recommendation may be filed. On June 20, 2000, the Parties submitted a **Motion to Correct and Supplement Application** (Supplement), in which they sought to clarify the details of the transaction. On June 21, 2000, the Staff of the Commission filed a **Staff Status Report** in which it was stated that a recommendation would be submitted to the Commission within ten (10) days. The Parties propose approval of a transaction in which Access Point will purchase all interexchange customer accounts of Effic, for which Effic shareholders will be compensated with Access Point stock. Following this transaction, Access Point will provide uninterrupted service operations to the former customers of Effic. Both Parties are currently certificated in Missouri as competitive Interexchange telecommunications Carriers (IXCs). The Parties have requested expedited approval of the transaction.

II. Background

Access Point provides resold intrastate and interstate telecommunications services in Missouri and other states, and currently operates in Missouri under its Missouri Interexchange Telecommunications Service P.S.C. MO. Tariff No.1. Effic provides resold intrastate and interstate telecommunications services in Missouri and currently operates in Missouri under its Interexchange Common Carrier Service MO. P.S.C. Tariff No.1. Following this transaction, Effic will cease to provide interexchange services to Missouri customers, and will file a new application to cancel its Certification and tariff. Access Point will file tariff

revisions to serve the former customers of Efficacy according to the same rates, terms and conditions as described in Efficacy's tariff, 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. The effects of this transaction will then be transparent to the existing customers of Efficacy, unless affected customers choose to change carriers otherwise.

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.

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. Based on the limited information provided to Telecommunications Department Staff (Staff), Staff does not believe the transaction will be detrimental to the public interest. 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

The Staff has reviewed the Application and its Supplement, and believes that it meets the limited requirements of 4 CSR 240-2.060(3) and (7). Staff has no objections to the proposed asset transfer and recommends that the Commission issue an order that approves the proposed purchase of Efficacy's assets by Access Point. Staff recommends that Access Point be required to file revisions to its tariff to comport with Efficacy's rates, terms and conditions prior to the transfer of customers.

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

**Service List for
Case No. TM-2000-615
June 26, 2000**

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