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## STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 17th day of September, 1998.

In the Matter of the Joint Application of

CRG International, Inc., d/b/a Network One and

Professional Communications Management Services,

Inc., d/b/a Procom, Inc. for Approval of an

Asset Purchase Agreement.

## ORDER APPROVING ACQUISITION AND MERGER

CRG International, Inc., d/b/a Network One (Network One) and Professional Communications Management Services, Inc., d/b/a Procom, Inc. (Procom) filed a Joint Application on December 12, 1997, asking the Commission to approve a transaction that would result in Network One, as the parent corporation, acquiring the assets of Procom. Procom is certificated to provide intrastate interexchange telecommunications services in Missouri, and therefore this transaction comes under Commission jurisdiction.

Procom was certificated to provide intrastate interexchange telecommunications services in Missouri on August 28, 1996, in Case No. TA-97-29. Procom is a privately held Maryland corporation with principal offices located at Route 3, Box 69G, Bruceton Mills, Virginia 26526. Procom is a non-dominant carrier that resells domestic and international long distance service from various facilities-based carriers pursuant to the Federal Communications Commission's (FCC) Competitive Carrier policies. Procom is authorized by the FCC to offer

domestic interstate and international services in all 50 states and the District of Columbia as a non-dominant carrier.

Network One is a privately held Georgia corporation with principal offices located at 2000 Riveredge Parkway, Suite 900, Atlanta, Georgia 30328. Network One is a non-dominant carrier that resells domestic and international long distance service purchased from various facilities-based carriers pursuant to the FCC's Competitive Carrier policies.

Network One and Procom submitted a Proposed Asset Purchase Agreement (Agreement) which would result in Network One acquiring all of the assets of Procom, including all of Procom's customer accounts. Upon approval of the transaction, only Network One would continue to provide telecommunications service in Missouri.

The applicants state that the proposed transfer of assets will not cause any inconvenience or confusion to the preexisting customers of either Procom or Network One. Network One intends to notify all current end users of Procom of the event and also of any change in rates due to the alignment of two or more different rate products into a single rate product for common services. Network One intends to amend its tariff accordingly.

The Staff of the Commission (Staff) filed a Memorandum on July 10, 1998, wherein Staff stated that it has no objection to the proposed transfer of assets and recommends the Commission approve the transaction at its earliest convenience. Staff believes the public interest will be served as a result of the proposed sale of assets because of the operating efficiencies gained through Network One's ability to realize economic, marketing and administrative efficiencies.

However, the Memorandum also notes that Staff does not believe that the Commission should approve the applicants' request to allow Network One to serve customers through and pursuant to the Certificate of Public Convenience and Necessity presently utilized by Procom. The Memorandum indicates that the end result of that action would be a situation where Network One would have two certificates under different names. The Staff believes that this would cause customer confusion, administrative problems for the Commission, and possible discrimination. The Staff recommended that Network One not be allowed to adopt Procom's certificate, but instead be instructed to serve customers through the Network One certificate.

The Staff also recommends that Network One be ordered to transfer all of the former Procom customers to Network One's tariffed services within ninety (90) days of the effective date of the Commission's Order. Network One should file any appropriate changes to its tariff, if necessary, and pursuant to 392.500, RSMo, notify the Commission of any rate changes and the customers of any proposed rate increases. The Staff further recommends that both Procom's certificate of service authority and tariff be canceled ninety (90) days after the effective date of the Commission's Order. The Staff is unaware of any other filings which would affect or which would be affected by this transaction.

The Commission has reviewed the application, the accompanying documentation, and Staff's recommendation, and finds that the proposed acquisition and merger will have no adverse impact on the Missouri customers of Procom. Therefore, the Commission finds that the transaction is not detrimental to the public interest and should be approved.

## IT IS THEREFORE ORDERED:

- 1. That the Joint Application filed by CRG International, Inc., d/b/a Network One (Network One) and Professional Communications Management Services, Inc., d/b/a Procom, Inc. (Procom) on December 12, 1997, is approved with the change that Network One is not allowed to adopt the certificate of Procom, and instead Network One is directed to serve customers through the Network One certificate.
- 2. That the applicants are authorized to consummate the transfer of control of Professional Communications Management Services, Inc., d/b/a Procom, Inc. from the current shareholders of Professional Communications Management Services, Inc., d/b/a Procom, Inc. to CRG International, Inc., d/b/a Network One.
- 3. That the parties are authorized to take any and all actions necessary to effect the acquisition and merger authorized by this Order.
- 4. That CRG International, Inc., d/b/a Network One, shall advise the Commission within ten days after the merger is consummated.
  - 5. That this Order shall become effective on September 29, 1998.

BY THE COMMISSION

Hole Hard Roberts

Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

(SEAL)

Crumpton, Drainer, Murray and Schemenauer, CC., concur. Lumpe, Ch., absent.

Ruth, Regulatory Law Judge

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COMMISSION COUNSEL PUBLIC SERVICE COMMISSION