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June 16, 2000

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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-2000-770

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 16 2000

**Missouri Public
Service Commission**

In the Matter of the Joint Application of)
American Long Lines, Inc., and Teligent,)
Inc. for Consent to the Transfer of)
Ownership and Control of American Long)
Lines, Inc. from Alan Widra and Trusts)
for the Benefit of Certain of his Family)
Members to Teligent, Inc.)

Case No. TM-2000-770

STAFF RECOMMENDATION

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

1. On May 19, 2000, Alan Widra and Trusts for the Benefit of Certain of His Family Members, American Long Lines, Inc. (ALL), Teligent, Inc. (Teligent), and Teligent Services, Inc. (TSI), filed a joint application requesting Commission approval of a merger transaction. ALL is certificated in Missouri to provide resold interexchange services. Teligent is certificated in Missouri to provide resold intraLata and interLata interexchange services. TSI is a wholly owned subsidiary of Teligent. TSI has also applied for authority to provide telecommunications services in Missouri.

2. The merger transaction contemplates the creation of a merger company (Merger Sub) by Teligent which will merge with ALL. ALL will survive the merger and will become a subsidiary of Teligent. After the merger, Teligent will transfer the stock of ALL obtained in the merger with the Merger Sub Company to TSI. As a result, TSI will directly own ALL, and Teligent will indirectly own ALL through ownership of TSI.

3. The merger application was brought pursuant to the statutory provisions in §392.300 RSMo 1994. The standard for approval is that the merger will not be detrimental to the public interest. See In the Matter of the Application of WorldCom, Inc. and MFS Communications Company, Inc. for Approval of Agreement and Plan of Merger, and Related Transactions, 5 Mo. P.S.C. 3d 312, 315 (1996).

4. Staff has reviewed the application for merger approval and has concluded that the transaction will not be detrimental to the public interest.

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

- A. Approves the merger between American Long Lines, Inc. and Merger Sub Corporation.

Respectfully submitted,

DANA K. JOYCE

General Counsel

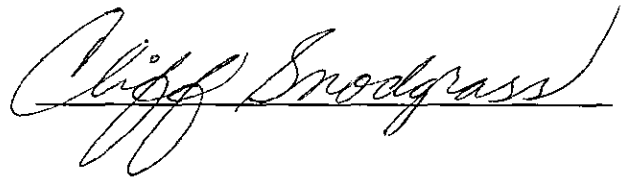


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Certificate of Service

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 16th day of June, 2000.



MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No. TM-2000-770

RECEIVED D WC 11:36
JUN 14 2000

From: Walt Cecil WC BN
Telecommunications Department

COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION

6/14/00
Utility Operations Division/Date

Wm K T 6/14/00
General Counsel's Office/Date

Subject: Staff's Recommendation to Approve Proposed Merger

Date: June 14, 2000

On May 19, 2000, the shareholders of American Long Lines (ALL), Inc., a competitive interexchange carrier, Teligent, Inc. (Teligent), a competitive interexchange carrier, and Teligent Services Inc. (TSI), a competitive interexchange carrier, (jointly referenced herein as the Applicants), filed a joint application requesting approval of the merger whereby ALL will become a wholly-owned direct subsidiary of TSI and indirectly of Teligent.

Currently, ALL is a privately held corporation in Pennsylvania and is certificated (Case TA-97-363) to provide resold interexchange services. Teligent is a Delaware corporation certificated (Cases Nos. TA-98-258 and Ta-98-259) to provide resold intraLATA and interLATA interexchange services. TSI is a wholly-owned subsidiary of Teligent, registered in Delaware, and has applied for authority to provide basic local exchange and local exchange intrastate telecommunications (pending Case No. TA-2000-578) and interexchange and local exchange telecommunications (pending Case No. TA-2000-581). Also, currently, Teligent and TSI are seeking Commission approval of a restructuring of the companies whereby TSI will hold all of the Missouri regulated assets formerly held by Teligent (pending Case No. TA-2000-584). No certificates or tariffs will be cancelled.

Teligent will create a merger company (Merger Sub) which will merge into and be absorbed by ALL with ALL as the surviving entity. ALL will continue to provide service in Missouri as it did before the merger. After the merger, ALL will be a subsidiary of Teligent. Teligent will then contribute the ALL stock acquired through the merger with Merger Sub to TSI. TSI will directly own ALL and Teligent will, through ownership of TSI, indirectly own ALL. The current stockholders of ALL will become stockholders of Teligent.

The merger of ALL with Merger Sub will require Commission approval. The transfer of the stock ownership of ALL from Teligent to TSI will require a letter from Teligent to the Commission notifying the Commission of the aforementioned transfer.

According to the applicants, the impact on ALL's customers and Teligent's customers will be transparent. ALL's management and employees will be retained. By the merger, ALL will gain access to increased economies of scale, which will result in administrative savings, and to Teligent's financial and managerial expertise. However, ALL does reserve the right to change the terms and conditions of its services within the terms of its tariff at some future time.

According to the applicants, there is no expected impact on the tax revenues of the political subdivisions from the structures and equipment resident within the jurisdictions of the aforementioned entities. Also, according to the applicants, none of the companies has any pending or final decisions or judgments against it from any state or federal agency involving service to customers or rates charged.

According to 4CSR 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 the 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.

Staff recommends approval of the proposed merger. Staff is not aware of any other matter that affects or would be affected by this merger.

**Service List for
Case No. TM-2000-770
June 16, 2000**

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